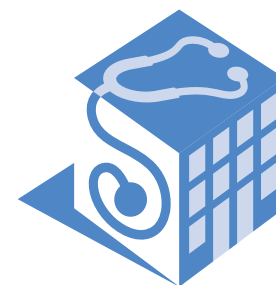


HEALTH CARE



HEALTH CARE

Before the war in 2003, Iraq had approximately 240 hospitals and 1,200 health clinics. For the previous two decades, the Iraqi health care system had been poorly managed, and no new hospitals had been built. More than half of the public health centers had deteriorated and closed before 2003.³¹⁴

U.S. reconstruction in this sector has focused on building, rehabilitating, and equipping medical facilities, as well as providing immunization, training, and other health services.

Activities in this sector were initially hindered by both design-build contractor performance shortfalls and mismanagement in overseeing the reconstruction contracts. These issues most adversely affected the primary healthcare center (PHC) program.³¹⁵

In addition, insurgent attacks have slowed construction of PHCs. GRD noted that two PHC sites were bombed this quarter.³¹⁶ Last quarter, four PHCs were bombed, and construction at these sites was brought to a halt.³¹⁷ Security issues are the major impediments for Iraqis seeking access to medical attention, and health care professionals are threatened with kidnappings and other intimidation.

U.S. Support

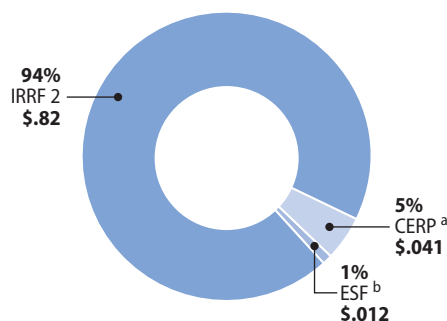
Figure 2.59 shows the allocations of U.S. funding in the health care sector. IRRF activities in this sector include constructing and refurbishing PHCs and hospitals throughout Iraq, as well as supplying those facilities with medical equipment and training medical practitioners and government officials. Past activities in this sector also included nationwide vaccination programs. CERP activities are smaller-scale projects, including the provision

FIGURE 2.59

ALLOCATIONS TO HEALTH CARE

\$ Billions, % of \$.87 Billion

Sources: DoS, *Iraq Weekly Status* (6/27/2007); MNC-I, Response to SIGIR (7/7/2007); IRMS, *ESF Economic Track Summary* (7/5/2007)



Note: Numbers are affected by rounding.

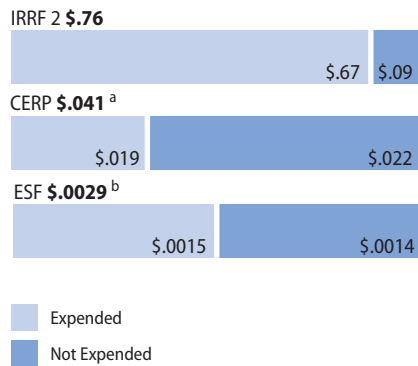
a. Allocation detail at the sector and subsector level for CERP is currently unavailable; therefore, the percentages for CERP are calculated using FY 2006 and FY 2007 dollars obligated.

b. FY 2006 Supplemental Funds (P.L. 109-234).



FIGURE 2.60

OBLIGATIONS FOR HEALTH CARE
\$ Billions, \$.80 Billion Total
Sources: DoS, *Iraq Weekly Status* (6/27/2007); MNC-I, Response to SIGIR (7/7/2007); IRMS, *ESF Cost to Complete* (7/5/2007)



Note: Numbers are affected by rounding.
a. FY 2006 and FY 2007.
b. FY 2006 Supplemental Funds (P.L. 109-234).

of medical supplies and equipment and repairs to health clinics.

ESF projects provide support to the sector through the Capacity Development and O&M Sustainment programs. In addition, ESF provides new health care facilities.³¹⁸

At the end of this quarter, 82% of IRRF sector funding had been expended. Almost 46% of the CERP funds for the sector had been expended, and more than 12% of the ESF sector total. Figure 2.60 shows the status of all U.S. funds that have been obligated in the health care sector.



ESF projects in the health care sector have helped keep needed medical facilities and vehicles operational.



IRRF

53% of IRRF projects in the health care sector are complete, as shown in Figure 2.61.

Last quarter, GRD reported that construction of more than 70 PHCs would be completed before July 2007;³¹⁹ however, as of June 30, 2007, only 44 of 142 planned PHCs have been completed. Of the completed PHCs, 20 have been turned over to the Ministry of Health, but only 8 are currently open. Construction at eight other PHCs was stopped last quarter because of security concerns or subcontractor problems.³²⁰ This quarter, GRD reported that six of these eight PHCs “have been deprogrammed due to security issues” and that work at the other two sites will resume, pending completion of contract modifications and re-awards.³²¹

This is the status of unfinished PHC projects:

- 64 are 90-100% complete.
- 20 are 75-90% complete.
- 8 are at various stages of completion, ranging from 40-75%.

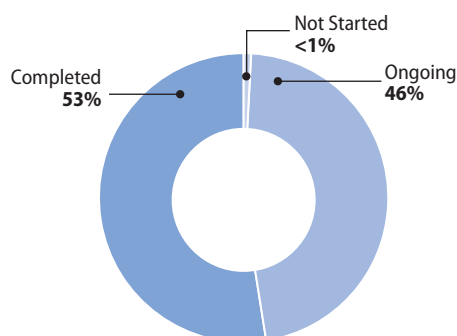
The remaining portion of the PHC program will be finished by January 2008.³²² SIGIR audits in 2006 of the PHC construction contract and the PHC supplies contract uncovered weak oversight and poor accountability.³²³

GRD continues to oversee the refurbishment of 20 hospitals (which were originally under a single design-build contract but have subsequently been re-awarded to Iraqi firms) and the construction of the Basrah Children's Hospital (previously managed by USAID).³²⁴ Last quarter, GRD stated that all rehabilitation work in its hospital program was expected to be completed by June 2007;³²⁵ however, six construction rehabilitation projects have not yet been completed. One project was delayed because of security issues, and contractor

FIGURE 2.61

STATUS OF IRRF 2 PROJECTS - HEALTH CARE TOTAL NUMBER OF PROJECTS: 236

Sources: IRMS, ITAO* Rollup (6/29/2007); USAID, Activities Report (7/12/2007)



Project Type	Not Started	Ongoing	Completed	Total
Primary Healthcare Centers		97	44	141
Equipment Procurement		2	60	62
Hospitals	1	10	19	30
Nationwide Hospital and Clinic Improvements			3	3
Total	1	109	126	236

Note: Numbers are affected by rounding.

* By Executive Order, on May 8, 2007, the President created ITAO as the successor organization to the IRMO.



Basrah Children's Hospital. Construction is now scheduled to be completed in July 2008.

problems delayed the other five projects. The hospital refurbishment program is now scheduled for completion by September 2007.³²⁶

On September 30, 2006, GRD awarded a new fixed-price contract on the Basrah Children's Hospital. Construction is now scheduled to be completed in July 2008, and medical equipment integration is scheduled for completion in November 2008, followed by a phased opening starting in early 2009.³²⁷ GRD reported this quarter that the project is 55% complete, as of June 30, 2007—up from 45% reported last quarter.³²⁸ SIGIR previously issued an audit of this project in July 2006, which found insufficient government oversight of the contract.³²⁹

U.S.-funded projects have allocated \$205 million to procuring health care equipment, modernization, and training.³³⁰ Medical equip-

ment, consumables, and furniture were delivered and installed at nine completed PHCs. In addition, \$22 million of the \$23.5 million in medical equipment was delivered to and installed in 18 renovated hospitals.³³¹

CERP

FY 2006 and FY 2007 CERP funds represent 5% of all U.S. funds for health care reconstruction in Iraq and 4% of CERP funds across all sectors. MNC-I oversees CERP projects in this sector, and Figure 2.62 shows their status.³³²

As IRRF projects finish out and funding is expended, CERP funds have taken on a greater significance in this sector. MNC-I has programmed 447 projects in this sector to be completed with CERP FY 2006 and FY 2007 funds.

FIGURE 2.62

STATUS OF CERP FY 2006 AND FY 2007 PROJECTS HEALTH CARE

TOTAL NUMBER OF PROJECTS: 447

Source: MNC-I, Response to SIGIR (7/7/2007)

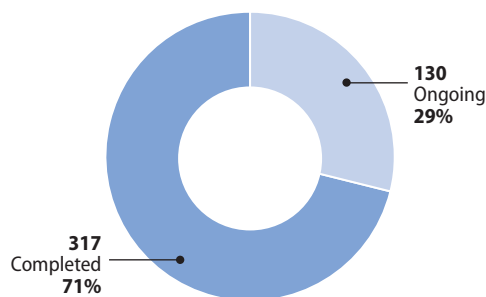
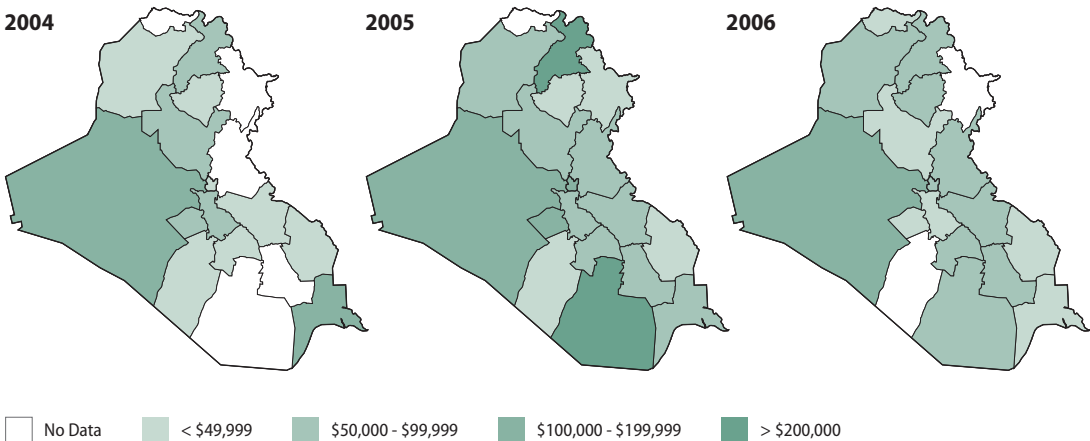


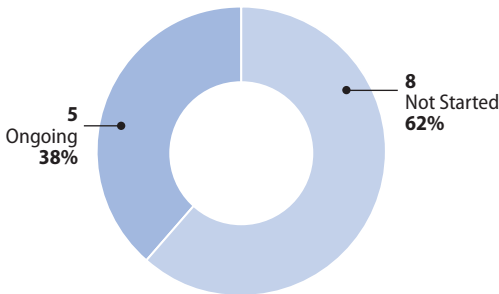


FIGURE 2.63
AVERAGE VALUE PER CERP HEALTH CARE PROJECT BY GOVERNORATE
Source: IRMS, CERP Excel Workbook (6/29/2007)



Note:
Data is compiled using FY 2004, FY 2005, and FY 2006 CERP funds. The years indicated correspond to the actual start dates of the projects.

FIGURE 2.64
STATUS OF ESF* PROJECTS - HEALTH CARE
TOTAL NUMBER OF PROJECTS: 13
Source: IRMS, ESF Project Tracker (6/29/2007)



* Funded by the ESF FY 2006 Supplemental.

Figure 2.63 shows the progression of CERP health care project values awarded over the last three years. Five provinces have health care projects that averaged more than \$100,000 in 2006.

ESF

Health care projects received approximately \$12 million from the \$285 million for the O&M Sustainment program. Figure 2.64 shows the status of ESF O&M projects in the health care sector.

Examples of health care O&M projects include procurement of spare parts for U.S.-donated medical equipment, vehicles for repair technicians and O&M personnel, and diagnostic and repair tool sets for biomedical and facility equipment.³³³

The ESF Capacity Development and Technical Training program also provides an additional \$12 million for health care projects. The status of this program's funds is updated in the Capacity Development sector discussion earlier in this section.

